GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:159
ANSWERED ON:25.07.2005
CONSTANT INCREASE IN STEEL STOCK
Kaushal Shri Raghuvir Singh;Khaire Shri Chandrakant Bhaurao

Will the Minister of STEEL be pleased to state:

(a) whether despite the constant increase in the stock of steel an agreement has been made in the Memorandum of Understanding for 2005-06 signed with the different companies for 40% to 20% less release of steel;

(b) if so, whether the SAIL is benefiting private companies by just increasing the stock;

(c) whether at the time of MoU, SAIL invited applications from new traders but refused to sign MoU with any of the new traders; and

(d) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) Under the Memorandum of Understanding (MoU) Scheme for 2005-06 an attempt was made to increase the customer base by inviting new consumers. In order to make supplies to them, quantitative restrictions were applied to supplies to traders under certain categories of products. Due to non-lifting of materials by direct consumers, the stocks have increased.

(b) On account of declining trend in prices of steel material in the international as well as the domestic market, there has been reduced lifting by consumers leading to increase in stocks in the past few months.

(c)&(d): As indicated above, applications were invited from direct consumers and quantitative restrictions were imposed on supplies to traders in certain categories of products.